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We didn't know of meet: U.S.

By JEFFREY ANTEVIL

Washington (News Bureau) — Flatly contradicting United Nations Ambassador Andrew Young, the State Department said yesterday that the United States government, including the intelligence community, was unaware before last Tuesday that Young had talked with a representative of the Palestine Liberation Organization nearly three weeks earlier.

In a rare move indicating the importance the Carter administration attached to refuting Young's allegation that the State Department knew about the meeting four days after it took place, spokesman Thomas Reston said the department's denial was supported by the director of central intelligence, Adm. Stansfield Turner. The State Department spokesman almost always refuses any comment on intelligence matters.

A department official said Young "would not disagree" with this denial, despite his comment to the Daily News and other newspapers on Saturday, repeated in a television interview Sunday, that he had seen an almost verbatim State Department account of his July 28 meeting with the PLO's UN observer, Zehdi Terzi, dated July 30.

The State Department has maintained that it did not learn that Young had physically met with Terzi until Aug. 11 — 12 days after the date on the memo cited by Young.

Young's spokesman in New York said

that Young had no comment on the State Department statement.

The sensitivity of the entire Young affair was heightened by the apparently unsuccessful efforts of U.S. Middle East envoy Robert Strauss to gain Israeli and Egyptian approval of a compromise resolution on the Palestinians that the administration proposed to introduce during the UN Security Council debate this week.

Returns from journey

Strauss returned late yesterday, after describing his visit to Israel and Egypt as "not an easy trip."

Both Egypt and Israel turned down the American proposal and the similarity of the stands reportedly surprised Strauss. He said both Israeli Prime Minister Menachem Begin and Egyptian President Anwar Sadat raised "very serious questions and reservations" about the proposal.

Reston said he stood by his statement of last week that the administration was considering such a resolution, which would reaffirm existing UN resolutions on the Middle East while adding language — adapted from the Camp David peace accords — recognizing Palestinian aspirations for a homeland and a voice in determining their own future.

But Reston added that he could not forecast the results of Strauss' consultations with President Carter and Secretary of State Vance. He said the three men would review Strauss' three-day mission to Egypt and Israel.

The U.S. compromise resolution would be designed to gain PLO acceptance of Israel's right to exist in peace,

thus freeing the U.S. to engage in direct talks with the PLO for the first time.

Reston engaged in more than an hour of verbal sparring with reporters on the events that led to Young's admission last Tuesday that he had knowingly met and held substantive talks with Terzi, in violation of 1975 U.S. pledge to Israel, and had then misled the State Department about the meeting. Young submitted his resignation the next day, while insisting that he had done nothing for which he felt sorry.

Reston said that checks at the department, at the U.S. Mission to the UN in New York, and with Turner's office, which is responsible for oversight of all U.S. foreign intelligence agencies, had not disclosed the existence of an account of the Young-Terzi talks as described by Young. "I don't believe that such an account exists," Reston said.

He also said the U.S. "has no information which would confirm that the Israeli government was monitoring the conversation" between Young and Terzi, which took place in the apartment of Kuwait's UN ambassador, Abdallah Yacoub Bishara. Several press reports have alleged that Israeli intelligence agents either eavesdropped on the July 28 session or otherwise learned the details soon after it took place.

Reston said there was a July 30 State Department report that indicated that a Young-Terzi meeting had been suggested, but he insisted the U.S. did not learn such talks had actually occurred until Young provided a true version to Vance last Tuesday morning. He would not say who made the suggestion, but presumably it was Bishara, who extended the invitations to both Young and Terzi.